STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES Land Division Honolulu, Hawaii 96813

April 13, 2012

Board of Land and Natural Resources State of Hawaii Honolulu, Hawaii

Oahu

Forfeiture of Grant of Easement bearing Land Office Deed No. S-27020, PSL, Inc., Grantee, Waialee, Koolauloa, Oahu, Tax Map Key: (1) 5-8-001:015 por.

PURPOSE:

Forfeiture of Grant of Easement bearing Land Office Deed No. S-27020, PSL, Inc., Grantee.

LEGAL REFERENCE:

Section 171-39, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Waialee, Koolauloa, Oahu, identified by Tax Map Key: (1) 5-8-01:015 por., as shown on the attached maps labeled Exhibits A1 and A2.

AREA:

28,894 square feet, more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: No

CHARACTER OF USE:

Roadway and utility purposes.

REMARKS:

In 1973, Revocable Permit No. 4864 was issued to Ms. Sau Ung Loo Chan for vehicular

access purposes over the subject State parcel. Ms. Chan was the owner of the abutting private property identified as tax map key (1) 5-8-003:011 ("Lot 187").

In 1976, Ms. Chan requested the Board's issuance of a perpetual non-exclusive easement for access and utility purposes because her lender required a long-term easement. On August 29, 1978, the subject easement was issued to Ms. Chan subject to a one-time payment of \$3,500.

On January 11, 1980, the Board gave its consent to the assignment between Ms. Chan and her daughter and grandson, Mrs. Janice Parrott and Mr. Richard Parrott.

In December 1981, the Parrotts assigned the subject easement to Hawaiian Sunset Joint Ventures, without Board approval. The 1981 transfer also covered Lot 187. On June 28, 1982, Hawaiian Sunset Joint Ventures was dissolved. On October 25, 1985, the Board approved the assignment of the subject easement from the Parrotts to PSL, Inc. ("PSL"), the current Grantee on record.

For the Board's information, per Executive Order No. 3497, the subject State parcel was set aside to the City and County of Honolulu ("City") for Waialee Beach Park, subject to the existing easement.

As a part of the lease compliance process regarding the liability insurance provision, a Notice of Default ("NOD") dated July 31, 2009 was sent to PSL. The NOD was returned from the postal service because there was no forwarding address. A copy of the envelope containing the returned NOD letter has been filed. Upon further research, staff noted that PSL was involuntary dissolved in 1994, as shown on Exhibit B.

Condition 12 of the subject easement, "Termination" stipulates "... if the Grantee should fail to comply with any of the terms and conditions of this grant or <u>abandon or cease to use</u> (emphasis added) said easement for a continuous period of one (1) year, all rights granted herein shall cease without any action on the part of the Grantor and determine in accordance with pages 6 and 7 of this Grant, relating to <u>Breach</u>."

The breach provision mentioned above pertains to the right of security interest holder in the event that the easement is forfeited. According to staff's research of the subject files, there is no record of a security interest encumbered by the subject easement.

Pursuant to Section 414-64(b), "Service on corporation", HRS, which reads, "[i]f no officer, director, manager, superintendent, or other person in charge of the property, business, or office of the corporation can be found within the State, and the corporation has not filed with the department director, pursuant to this chapter, the name of a registered agent upon whom legal notice and process from the courts of the State may be served, or the person named is not found within the State, service may be made upon the corporation by registered or certified mail (emphasis added), return receipt requested, addressed to the corporation at its

In view of the returned NOD and Section 414-64(b), HRS mentioned above, staff believes PSL was properly served with the NOD. The default has not been corrected at the time of the writing of this submittal.

In 1991, the City acquired Lot 187, i.e. the parcel to be served by the subject easement. The transfer was shown on the Certificate of Title No. 375391. Staff had solicited comments from the City regarding the proposed forfeiture of the subject easement. The City has no comment regarding the subject request, as shown on Exhibit C.

A site inspection was conducted recently and noted that there was no improvement on the subject easement area. Staff now brings the subject request to the Board for its approval.

RECOMMENDATION: That the Board:

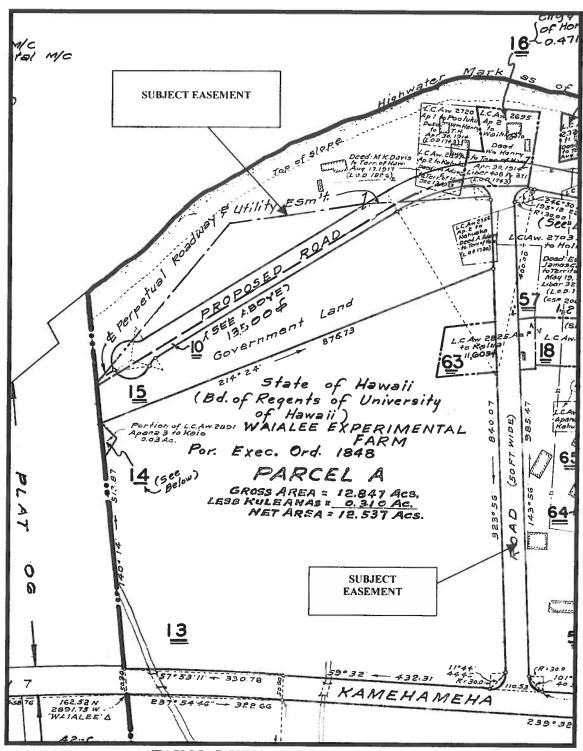
- 1. Authorize the cancellation of Grant of Easement bearing Land Office Deed No. S-27020 in the manner specified by law;
- 2. Authorize the retention of all sums heretofore paid or pledged under Grant of Easement bearing Land Office Deed No. S-27020 to be applied to any past due amounts;
- Terminate the easement and all rights of Grantee and all obligations of the Grantor 3. effective as of April 13, 2012, provided that any and all obligations of the Grantee which have accrued up to said effective date or which are stated in the easement to survive termination shall endure past such termination date until duly fulfilled, and further provided that Grantor reserves all other rights and claims allowed by law; and
- 4. Authorize the Department of the Attorney General, the Department of Land and Natural Resources, or their agents to collect all monies due the State of Hawaii under Grant of Easement bearing Land Office Deed No. S-27020 and to pursue all other rights and remedies as appropriate.

Respectfully Submitted,

Timmy Chee

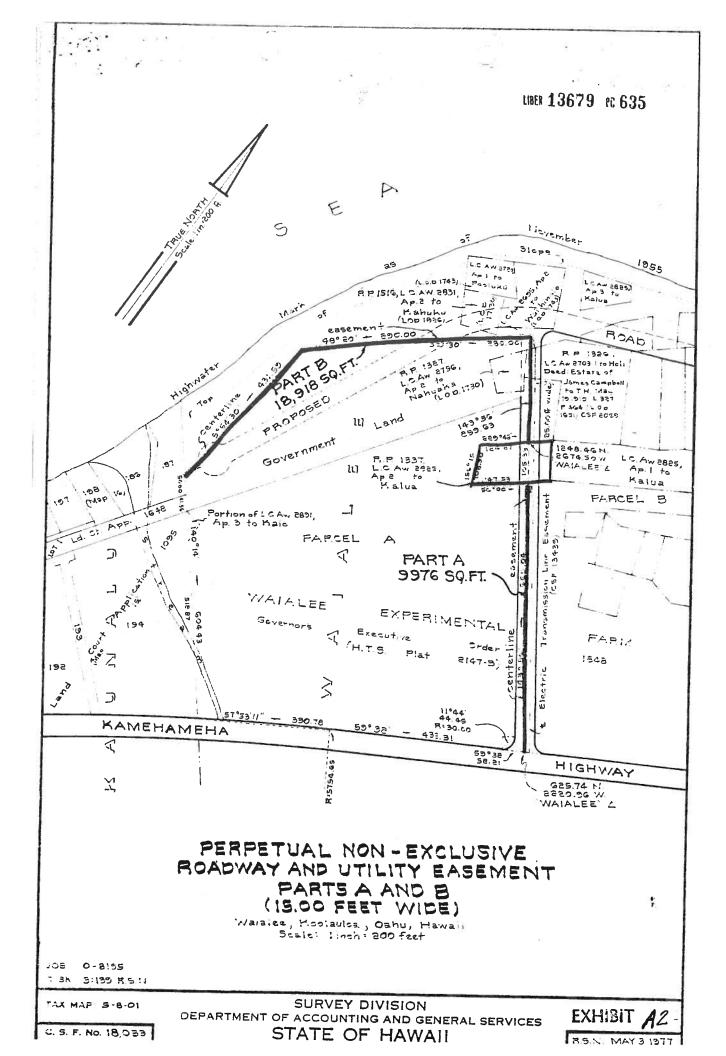
Land Agent

APPROVED FOR SUBMITTAL:



TAX MAP KEY: (1) 5-8-001:015 portion

EXHIBIT A1



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forme - BREG	PSL, INC.					
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hawaii.gov

EXHIBIT "B"





STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES LAND DIVISION

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

February 6, 2012

WILLIAM J. AIR. JR.

***CHAPTERSON**
***CONTROL TO STATE BOOK AND AIR STATE BOOK AND DIVISION

2012 MAR -7 A 11: 101

DEPT. OF LAND & NATURAL RESOURCES STATE OF HAWAII

MEMORANDUM				PSF: LOD 27020	
TO:	State Agencies: DOH DHHL DLNR-Aquatic Resources DLNR-Forestry & Wildlife DLNR-Historic Preservation DLNR-State Parks DLNR-Conservation and CoDOADOT	1		Planning and Permitting Facility Maintenance Board of Water Supply Parks & Recreation	
	Federal Agencies: Corps of Engineers NRCS		Oth (ner Agencies: Office of Hawaiian Affairs	
FROM: Climmy Chee, Land Agent					
SUBJECT:	Forfeiture of Grant of Easement bearing Land Office Deed No. S-27020, PSL, Inc., Grantee				
LOCATION:	Waialee, Koolauloa, Oahu, Tax Map Key: (1) 5-8-001:015.				
APPLICANT:	City and County of Honolulu				
Transmitted for your review and comment is a copy of a draft Board submittal of the above referenced request involving State lands. We would appreciate your comments on this application. Please submit any comments by March 6, 2012. If no response is received by this date, we will assume your agency has no comments. If you have any questions, please contact my office at 587-0408.					
Attachments					
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